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The Aluminum Situation

ECONOMICS AND STATISTICS — FEBRUARY 1992

1991 INDUSTRY NET SHIPMENTS REPORTED AT 15,909 MILLION POUNDS

Preliminary figures for the year 1991 indicate that total industry net shipments, totaling 15,909 million pounds, increased 0.9 percent from the 1990 total of 15,765 million pounds. U.S. exports of aluminum ingot and mill products totaled 3,030 million pounds during 1991, increasing 18.0 percent over the 1990 total of 2,567 million pounds.

THRU DECEMBER 1991

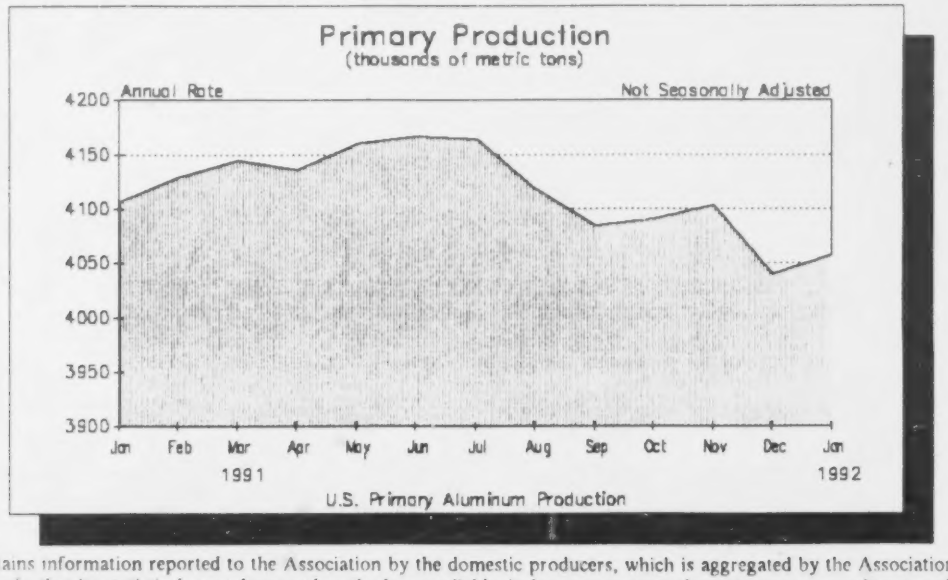
	1991 12 Mos.	1990 12 Mos.	% Change
Mill Products	12,476	12,968	-3.8
Ingot	3,432	2,798	22.7
Total	15,909	15,765	0.9
Less Exports	3,030	2,567	18.0
Domestic Total	12,879	13,198	-2.4

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

It should be noted that aluminum ingot shipments reported by the U.S. Department of Commerce, totaling 3,433 million pounds, may include aluminum shipped to London Metal Exchange warehouses located in the U.S. and to U.S. government stockpiles. Current data indicate that as of December 31, 1991, LME warehouses contained 369 million pounds of aluminum and U.S. stockpiles contained an additional estimated 65 million pounds. This would reduce apparent total shipments to 15,474 million pounds, or 1.8 percent below 1990 and domestic shipments to 12,445 metric tons or 5.7 percent below 1990.

JANUARY PRODUCTION AVERAGES 11,090 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,090 metric tons daily during January 1992. This compares with an average of 11,255 metric tons a day in January 1991 and 11,070 metric tons a day in December 1991. The annual rate of production in January 1992 was 4,058,940 metric tons compared with 4,107,981 metric tons in January 1991 and 4,040,444 metric tons in December 1991. Production for the month of January 1992 totaled 343,790 metric tons compared with 343,161 in December 1991.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Association
INCORPORATED
900 19th Street, N.W., Washington, D.C. 20006
Phone (202) 862-5100

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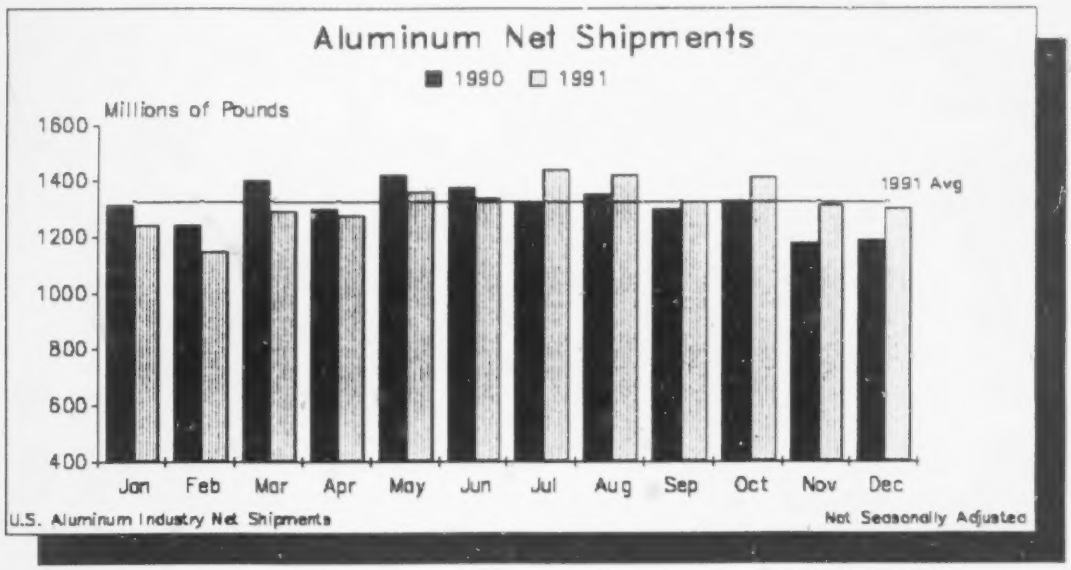
DECEMBER INDUSTRY SHIPMENTS TOTAL 1,305 MILLION POUNDS

According to Bureau of the Census reports, December industry net shipments totaling 1,305 million pounds, decreased 0.9 percent from the previous month's revised total of 1,316 million pounds. Compared to the previous year, reported year-end industry net shipments of 15,909 million pounds, increasing 0.9 percent from the 1990 total of 15,765 million pounds. During 1991, shipments of aluminum sheet, plate and foil were reported at 8,349 million pounds, a decrease of 0.3 percent from the previous year's total of 8,374 million pounds. Shipments of aluminum rod, bar and wire of 245 million pounds, decreased 9.6 percent from 1990 and shipments of extruded shapes and drawn tube decreased 10.1 percent.

U.S. exports of aluminum ingot and mill products were reported at 3,030 million pounds during 1991, increasing 18.0 percent over the 1990 total of 2,567 million pounds. During the same period, U.S. imports totaling 3,082 million pounds, decreased 1.6 percent from the 1990 total of 3,133 million pounds.



NET SHIPMENTS (Millions of Pounds)	1991 Dec.	1990 Dec.	1991 12 Mos.	1990 12 Mos.	% Change 1991 vs 1990
Sheet	562.6	554.5	7,251.8	7,244.3	0.1
Plate	17.4	19.1	262.0	269.7	-2.8
Foil	56.3	60.1	834.8	860.4	-3.0
Rod,Bar & Wire	24.2	15.9	245.1	271.0	-9.6
Elec. Conductor	43.8	32.0	564.5	539.9	4.6
Extruded Shapes,Tube	148.8	145.7	2,268.5	2,522.5	-10.1
Powder & Paste	7.0	7.4	97.5	98.1	-0.6
Forgings & Impacts	9.2	9.5	137.7	153.7	-10.5
Imports of Mill Products (Total) (a)	57.9	71.5	814.4	1,008.1	-19.2
Total Mill Products	927.2	915.7	12,476.3	12,967.6	-3.8
Ingot	377.4	275.9	3,432.5	2,797.5	22.7
TOTAL INDUSTRY SHIPMENTS	1,304.7	1,191.6	15,908.8	15,765.2	0.9
Exports	227.7	228.5	3,029.6	2,567.1	18.0
TOTAL DOMESTIC SHIPMENTS	1,077.0	963.2	12,879.1	13,198.1	-2.4

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

JANUARY ORDERS JUMP TO 1,149 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for January 1992 totaling 1,149 million pounds, jumped 32.4 percent from the previous month's total of 868 million pounds. New orders of domestic Can Stock, totaling 360 million pounds, increased 24.7 percent from the December total of 296 million pounds. January orders for Other Sheet & Plate totaling 380 million pounds were up substancially due to increased Export orders for Can Stock which are included here. Compared to the previous year, industry orders increased 1.0 percent from the January 1991 total of 1,138 million pounds.

ORDER RECEIPTS (Millions of Pounds)	1992 Jan.	1991 Jan.	1992 1 Mo.	1991 1 Mo.	% Change 1992 vs 1991
Sheet & Plate, Other	380.3	323.1	380.3	323.1	17.7
Can Stock (a)	360.2	362.3	360.2	362.3	-0.6
Foil	91.7	87.3	91.7	87.3	5.0
Bar, Rod & Wire	36.0	46.0	36.0	46.0	-21.7
Electrical Conductor	56.9	55.2	56.9	55.2	3.1
Extruded Shapes & Tube	200.3	235.5	200.3	235.5	-14.9
Powder & Paste	12.7	17.7	12.7	17.7	-28.2
Forgings & Impacts	10.9	10.6	10.9	10.6	2.8
Total Mill Products	1,149.0	1,137.7	1,149.0	1,137.7	1.0

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECLINE 44 MILLION POUNDS

Reported producer inventories for December declined 44 million pounds from the revised November total, dropping to a reported total of 3,803 million pounds. This represents an overall decline of 221 million pounds since December 1990

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
November	3,847r	1,445r	524r	1,878
December	3,803	1,395	557	1,851

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 31.7 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of December, 1991 was 31.7, remaining relatively steady over the last three months of 1991.

Month-End Aluminum Customer Inventories
(Average Number of Days)

November	31.3
December	30.9

Source: Aluminum Association - Customer Inventory Position Survey

U.S. LME INVENTORIES REPORTED AT 184,825 METRIC TONS

During the month of January, London Metal Exchange inventories of aluminum in U.S. warehouses increased 17,275 metric tons to a total of 184,825 metric tons.

	Total U.S.	Baltimore	Toledo	Long Beach	Saint Louis	Chicago
December	167,550	93,400	30,625	3,600	39,925	-
January	184,825	93,400	40,675	4,100	44,475	2,175

Source: American Metal Market

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 Dec.	1990 Dec.	1991* 12 Mos.	1990 12 Mos.	% Change 1991 vs 1990
Imports	Mill Products	57.9	71.8	814.4	1,012.2	-19.5
	Ingot	197.3	133.7	2,267.7	2,121.1	6.9
	Total	255.2	205.5	3,082.1	3,133.3	-1.6
	Scrap (+ dross)	30.7	29.3	480.8	584.6	-17.8
	Grand Total	285.9	234.8	3,562.9	3,717.9	-4.2
Exports	Mill Products	78.8	60.7	1,275.2	1,054.8	20.9
	Ingot	148.9	167.8	1,754.4	1,512.3	16.0
	Total	227.7	228.5	3,029.6	2,567.1	18.0
	Scrap	56.8	105.5	1,023.5	1,186.3	-13.7
	Grand Total	284.5	333.9	4,053.1	3,753.4	8.0

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cumulative data may include revisions for previous periods